

Government are aware of the newsitem under reference. The White House Spokesman's remarks, reported in the newsitem, came in oral response to a question at a regular briefing to the press at the White House on March 5, 1997.

(b) and (c) Government immediately sought clarification from the US authorities. The Spokesman's office clarified that the use of the term "principality" to describe Kashmir was unintentional, in the course of a verbal response and that this did not signal any departure from the US Government's position.

Government of India has made it clear that Jammu & Kashmir is an integral part of India. This position is fully known to the US Government.

#### **Oil Refineries**

6127 DR. MAHADEEPAK SINGH SHAKYA : Will the PRIME MINISTER be pleased to state :

(a) whether there is a need to change the existing technology in oil refineries in the country;

(b) if so, whether the Government had constituted Ganguly Committee to suggest suitable technology;

(c) if so, the date on which the said Committee had been constituted;

(d) the time by which this Committee had been asked to submit its report to the Government;

(e) whether the Government have received the Committee's report; and

(f) if so, the recommendations made by the Committee ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BALLU) : (a) to (e) The Government had appointed a Committee on 5.1.1995 under the Chairmanship of Dr. S. Ganguly, to review the action plans of the refineries, recommend suitable methodology for integration of refineries with technical institutes and R&D centres, recommend strategies for development of specialised skills needed for refining operations etc. The Committee was to submit interim report by February 1995 and the final report by June 1995, and it has already submitted its report to the Government.

(f) The Committee in its recommendation has broadly covered areas of improving distillate yields and production of high valued products, energy conservation measures, thrust areas for R&D, management of human resources etc.

#### **Israel-Palestinian Situation**

6128. SHRI G.M. BANATWALA : Will the PRIME MINISTER be pleased to state :

(a) whether the Government have taken note of the Israel-Palestinian situation, especially relating to Israel settlement policy and the consequent threat to the peace process;

(b) if so, the Government's reaction thereon;

(c) whether the Government had issued any statement on the situation, if so, when and the contents of the statement;

(d) whether the Government have noted any move on the part of several Arab Countries for a trade boycott of Israel; and

(e) if so, Government's reaction in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) Yes, Sir.

(b) The Government of India has expressed its deep concern at the Israel Government's approval for construction of settlements at Jabal Abu Ghneim (Har Homa) to the South of East Jerusalem. Government of India has urged all parties concerned to intensify their efforts for finding a just, comprehensive and lasting peace in the region on the basis of the Security Council resolutions, as well as the interim agreement for allowing the achievement of the legitimate rights of the Palestinian people, and all States of the region to co-exist peacefully within secure and internationally recognised boundaries.

(c) Government of India has issued a statement on this on March 5, 1997; a copy of the statement is attached.

(d) and (e) The Government of India has taken note of the resolution of the Foreign Ministers of the league of Arab States at a meeting in Cairo on 31.3.1997 recommending inter alia "the continuation of commitment of primary degree Arab boycott of Israel and the activation of such boycott"

#### **Statement**

Ministry of External Affairs  
New Delhi

#### **OFFICIAL STATEMENT**

#### **Israeli approval for settlements in East Jerusalem**

Government of India is deeply concerned at the recent Israeli Government's approval for construction of settlements at Jabal Abu Ghneim (Har Homa) to the south of East Jerusalem. India has consistently maintained that unilateral steps which are not in conformity with the agreements and understandings would hinder the peace process, and vitiate the atmosphere to build mutual confidence essential to progress the peace negotiations further.

We remain convinced of the need for purposeful negotiations on all issues in the final-status negotiations between Israeli and Palestinian sides. We once again urge all parties concerned to intensify their efforts for finding a just, comprehensive and lasting peace in the region, on the basis of the Security Council resolutions, as well as the interim agreements, for allowing the achievement of

the legitimate rights of the Palestinian people, and all States of the region to co-exist peacefully within secure and internationally recognised boundaries.

5 March 1997

#### **Irregularities by ICCR**

6129. SHRI N.N. KRISHANDAS

SHRI FAGGAN SINGH KULESTE :

SHRI T. GOVINDAN :

SHRI VIJAY ANNAJI MUDE :

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that ICCR got Azad Bhawan White washed during 1996 costing Rs. 2.62 lakhs without calling any tender/quotations and without approaching CPWD for this purpose;

(b) whether it is a fact that the said bill was settled/paid to the contractor without approval from President, ICCR, as is compulsory for each project, exceeding expenditure of Rs. 2.00 lakhs; and

(c) if so, the action Government propose to take against the defaulting officers ?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) and (b) No, Sir. In the first instance the Council approached the CPWD for carrying out the white washing of the Azad Bhawan in 1996. The CPWD declined in writing to undertake the work. Thereafter sealed quotations were invited from different firms and the job was awarded to the firm whose rates were the lowest. The whitewashing was part of the renovation of Azad Bhawan undertaken in 1995-1996 with the approval and at the initiative of President, ICCR.

(c) The question does not arise.

#### **Drinking Water to Vypin Islands**

6130. SHRIMATI RATNMALA D. SAVANOOR: Will the PRIME MINISTER be pleased to state :

(a) whether there is growing agitation among the inhabitants of Vypin Island off Koshi for the lack of drinking water facilities;

(b) if so, whether Government have made any review of the existing arrangement to provide drinking water to the Islanders;

(c) if so, the strategy formulated by the Government to provide adequate drinking water to the people of Vypin Island ?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. U. VENKATESWARLU) : (a) No such report has been received from the State Government regarding lack of drinking water facilities in Vypin Island leading to growing agitation among the inhabitants.

(b) and (c) Questions does not arise in view of the reply to part (a) above.

#### **Oil Exploration**

6131. SHRI PRITHVIRAJ D. CHAVAN : will the PRIME MINISTER be pleased to state :

(a) whether the Government have decided to de-regulate oil exploration activity and if so, the details thereof;

(b) the role assigned in this regard to ONGC, Oil India Limited, Private Sector and Foreign Oil Companies;

(c) whether the Government propose to put ONGC and Oil India Ltd., at par with the private companies in bidding process participation; and

(d) the fate of current cess on oil production and royalty fixed at present ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU) : (a) to (c) Yes, Sir. In order to encourage private sector participation, Government of India has recently announced the New Exploration Licensing Policy. The salient features of policy are:-

- Open availability of exploration acreage in addition to existing bidding rounds.
- Oil and Natural Gas Corp. Ltd., and Oil India Ltd. to compete for obtaining exploration licences on competitive basis alongwith other private sector companies.
- Oil and Natural Gas Corp. Ltd. and Oil India Ltd. to be provided a level playing field by providing same fiscal and contract terms as available for private companies.
- Special package to encourage exploration in deep water and frontier areas.
- Freedom to contractors for marketing of crude oil and gas in the domestic market.

(d) Cess, which was earlier levied on crude production has been abolished for the blocks offered under NELP and Royalty will be payable at the rate of 12.5% and 10% respectively of the international price of crude oil for onland areas and offshore areas. Half of the royalty from the offshore area will be credited to a hydrocarbon development fund to promote and fund exploration related activities, such as acquisition of geological data on poorly explored basins,

marked decrease in the overall level of exploration.